

BALWIN PROPERTIES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2003/028851/06)
JSE share code: BWN ISIN: ZAE000209532
("Balwin")

**K2025746588 (SOUTH AFRICA)
PROPRIETARY LIMITED**
(Incorporated in the Republic of South Africa)
(Registration number 2025/746588/07)
("Bidco")

JOINT FIRM INTENTION ANNOUNCEMENT: OFFER BY BIDCO TO ACQUIRE ALL OF THE ELIGIBLE ISSUED SHARES IN BALWIN BY WAY OF A SCHEME OF ARRANGEMENT

1 Introduction

- 1.1 Shareholders of Balwin ("**Balwin Shareholders**") are hereby advised that:
- 1.1.1 on or about 2 March 2026, Balwin entered into a written scheme implementation agreement with Bidco and the Public Investment Corporation SOC Limited ("**PIC**"), acting on behalf of the Government Employees Pension Fund ("**GEPF**"), as amended (the "**Implementation Agreement**"), in terms of which Bidco confirmed its preliminary intention, subject to the fulfilment or waiver of certain pre-conditions, to make an offer (the "**Offer**") to acquire all of the issued ordinary shares in Balwin ("**Balwin Shares**") other than the Excluded Shares (as defined below) (the "**Scheme Shares**") from Balwin Shareholders, by way of a scheme of arrangement (the "**Scheme**") in terms of section 114 of the Companies Act, No. 71 of 2008, as amended (the "**Companies Act**") to be proposed by Balwin's board of directors ("**Balwin Board**") to Balwin Shareholders (the "**Proposed Transaction**") and to which Bidco would be a party; and
- 1.1.2 on 19 May 2026, following the fulfilment or waiver of all the pre-conditions in the Implementation Agreement, Balwin received a firm intention letter ("**Firm Intention Letter**") from Bidco, in terms of which Bidco has expressed its firm intention to make the Offer and pursue the Proposed Transaction, and confirming that the consideration payable in terms of the Scheme will be a cash amount equal to R4.35 per Scheme Share (the "**Scheme Consideration**").
- 1.2 Those Balwin Shares (i) held in treasury; or (ii) held by the Reinvesting Shareholders (as defined below) (collectively, the "**Excluded Shares**") are excluded from the Offer and the holders thereof ("**Excluded Shareholders**") will be excluded from participating in the Scheme. The Concert Parties and persons *related* to them (as contemplated in paragraph 8 below) will be excluded from voting on the resolutions required to implement the Scheme (as set out in paragraphs 4.3.1.1 and 4.3.1.2 below).
- 1.3 In the event that the Scheme becomes operative, Balwin will become a wholly owned subsidiary of Bidco, and accordingly, the listing of Balwin Shares on the Main Board of the JSE Limited (the "**JSE**") and A2X Proprietary Limited (the "**A2X**") will be terminated.
- 1.4 The purpose of this joint firm intention announcement ("**Firm Intention Announcement**") is to advise Balwin Shareholders of the terms and conditions of the Proposed Transaction in accordance with regulation 101 of the regulations published in terms of sections 120 and 223 of the Companies Act and set out in Chapter 5 of the Companies Regulations, 2011 (the "**Takeover Regulations**").

2 Information about Bidco

- 2.1 Bidco is a newly established South African private company, incorporated for the purpose of implementing the Proposed Transaction. Bidco is wholly owned by Volker Holdings Proprietary Limited ("**Volker**"), an entity controlled by Mr Stephen Volker Brookes (the chief executive officer of Balwin).
- 2.2 On the date on which the Scheme is implemented (the "**Scheme Implementation Date**"), following implementation of the Scheme, Bidco will be jointly owned by a consortium of investors (the "**Consortium**"), comprising:

- 2.2.1 Volker, which currently holds 171,751,457 Balwin Shares, representing c. 33.07% of all Balwin Shares in issue;
- 2.2.2 Rodna Investments Proprietary Limited ("**Rodna**"), an entity controlled by Mr Rodney Gray, the managing director of Balwin, and which currently holds 49,311,153 Balwin Shares, representing c. 9.49% of all Balwin Shares in issue;
- 2.2.3 GRE Africa Limited ("**GRE Africa**"), which currently holds 39,357,225 Balwin Shares, representing c. 7.58% of all Balwin Shares in issue; and
- 2.2.4 the PIC, acting on behalf of the GEPF (currently holding no Balwin Shares),
(Volker, Rodna, and GRE Africa, collectively, the "**Reinvesting Shareholders**").
- 2.3 The anticipated ownership structure of Bidco following the implementation of the Scheme is set out in paragraph 9 below.
- 2.4 The members of the Consortium include the founders of Balwin and have extensive experience in the property sector, having played a significant role in Balwin becoming the largest residential property developer in South Africa of large-scale, sectional title estates with a focus on high quality, environmentally efficient and affordable apartments with an innovative lifestyle offering for residents.

3 **Rationale for the Proposed Transaction**

- 3.1 Balwin listed on the JSE in 2015, with the objectives for its listing including enhancing Balwin's ability to raise debt and equity finance, and providing Balwin Shareholders with access to a platform on which Balwin Shares can be traded. Owing to the limited liquidity available, the discount to underlying net asset value at which Balwin Shares trade, and the expenses associated with the listed environment, among other factors, the Consortium believes that Balwin's listing on the JSE is no longer compelling and that Bidco is best placed to support Balwin's growth in the medium to long term.
- 3.2 The Consortium wishes to solidify Balwin's position in the market and to leverage the Consortium's capital resources, strategic networks, and developmental focus to support Balwin's growth objectives, while realising cost savings attributable to Balwin's delisting.
- 3.3 If the Proposed Transaction is implemented, Bidco and the Consortium intend to work together with the existing management team of Balwin to enhance the value of Balwin's assets over the investment tenure, while supporting the development of quality residential housing in South Africa.
- 3.4 The Proposed Transaction provides Balwin Shareholders with the opportunity to unlock value and liquidity through a cash offer for their Balwin Shares, at a premium to the market value of Balwin Shares based on the 30-day VWAP (as set out below).

4 **Salient terms of the Proposed Transaction**

4.1 **Scheme**

- 4.1.1 The Scheme constitutes an "*affected transaction*" in terms of section 117(1)(c)(iii) of the Companies Act, and is accordingly regulated by the Companies Act and the Takeover Regulations.
- 4.1.2 If the Scheme becomes operative, all Balwin Shareholders (other than (i) the Excluded Shareholders, and (ii) those Balwin Shareholders who validly exercise their appraisal rights in terms of section 164 of the Companies Act pursuant to the approval of the Scheme), will, by operation of the Scheme, dispose of all of the Scheme Shares held by them to Bidco for the Scheme Consideration.
- 4.1.3 Based on the total number of Balwin Shares in issue (519,411,852) and the total number of Excluded Shares (261,253,473), the maximum number of Balwin Shares to be acquired by Bidco in terms of the Scheme is expected to be 258,158,379 Balwin Shares.

4.2 Scheme Consideration

4.2.1 The Scheme Consideration of R4.35 per Scheme Share will be payable in cash and offers Balwin Shareholders a premium to the trading price of Balwin Shares.

4.2.2 The Scheme Consideration represents a premium per Balwin Share of —

4.2.2.1 23.15% to the 30-day volume-weighted average price ("**VWAP**");

4.2.2.2 26.12% to the 60-day VWAP;

4.2.2.3 34.48% to the 90-day VWAP; and

4.2.2.4 40.95% to the 180-day VWAP,

in each case, calculated with reference to the VWAP of Balwin Shares as at the close of trade on 19 May 2026, being the last trading day prior to the publication of this Firm Intention Announcement.

4.3 Conditions precedent to the Scheme

4.3.1 The implementation of the Scheme will be subject to the fulfilment or, where appropriate, waiver of certain conditions, which will be included in the circular to be sent to Balwin Shareholders in respect of the Scheme (the "**Scheme Circular**"), materially in the form set out below, by no later than 17h00 on 20 November 2026 or such later date/s agreed in writing between Balwin and Bidco (the "**Longstop Date**") or such other date specified below in respect of an applicable Scheme Condition, that:

4.3.1.1 all special or ordinary resolutions of Balwin Shareholders required in order to lawfully implement the Scheme, including such special resolutions as may be required in terms section 115(2)(a) of the Companies Act (such special resolution/s the "**Scheme Resolution**"), have been approved by Balwin Shareholders;

4.3.1.2 all special or ordinary resolutions of Balwin Shareholders required in order to lawfully implement the payment by Balwin of the securities transfer tax on the transfer of the Scheme Shares to Bidco, have been approved by Balwin Shareholders;

4.3.1.3 to the extent required under section 115(2)(c) and/or 115(3) of the Companies Act, approval of the implementation of the Scheme Resolution by the Court has been obtained (or the Court refuses to set aside the Scheme Resolution) and, if applicable, Balwin not having treated the Scheme Resolution as a nullity (which it may not do unless it is instructed to do so by Bidco), as contemplated in section 115(5)(b) of the Companies Act;

4.3.1.4 as at 12h00 on the business day immediately following the last day on which a valid demand is capable of being made by a dissenting shareholder in respect of the Scheme in terms of section 164(7) of the Companies Act, Balwin has not received valid demands from dissenting Balwin Shareholders (having complied with the requirements of sections 164(5)(a) and 164(5)(c) of the Companies Act) holding in aggregate more than 5% of the Balwin Shares in issue (irrespective of the class of such Balwin Shares);

4.3.1.5 Balwin has procured that all third parties (including providers of debt funding to Balwin and/or its subsidiaries) have, to the extent required, provided such waivers, consents and/or approvals, in writing, as may be required under any debt funding agreements in order for the Scheme to be implemented without triggering any event of default, a mandatory prepayment, or other potential adverse consequence under the relevant agreements;

4.3.1.6 written approval of the implementation of the Scheme has been received from the relevant competition authorities ("**Competition Authorities**"), either unconditionally or subject to conditions reasonably acceptable to the party/ies upon whom they are imposed, acting reasonably and in good faith, as may be applicable in terms of the Competition Act, No. 89 of 1998; and

- 4.3.1.7 all regulatory approvals legally necessary for the implementation of the Scheme (other than the approvals by the Competition Authorities as contemplated in paragraph 4.3.1.6) have been obtained, provided that this shall exclude the issue by the Takeover Regulation Panel (the "**TRP**") of a compliance certificate in respect of the Scheme as contemplated in paragraph 4.3.5, (each a "**Scheme Condition**").
- 4.3.2 Regarding the Scheme Condition/s contemplated in paragraphs 4.3.1.2, 4.3.1.4 and 4.3.1.5, these Scheme Conditions are for the benefit of Bidco and each may be waived by Bidco in its sole discretion by notice in writing to Balwin, subject to Bidco obtaining the prior approval of the PIC and the TRP and/or the JSE (where required), prior to the expiry of the time period set out in those respective clauses or such extended time period as may be agreed in writing between the parties in writing.
- 4.3.3 The remainder of the Scheme Conditions cannot be waived.
- 4.3.4 The parties may by agreement in writing and with the prior approval of TRP and/or the JSE (where required), extend the dates for the fulfilment of any one or more of the Scheme Conditions and such agreement shall not be unreasonably withheld or delayed if the Scheme Condition is of a regulatory nature and the delay is occasioned on the part of the regulator and the period of the extension accords with the period of the delay.
- 4.3.5 Settlement under the Scheme will only occur following the issue of a compliance certificate by the TRP in relation to the Scheme in terms of section 121(b)(i) of the Companies Act, which compliance certificate will only be issued by the TRP once all Scheme Conditions have been fulfilled or waived.

4.4 **Balwin's conditional share plan**

- 4.4.1 Balwin presently operates a conditional share plan (the "**CSP**") to provide selected employees of Balwin and its subsidiaries with the opportunity to receive Balwin Shares, through the award of conditional rights to Balwin Shares in the form of bonus shares, performance shares, and/or retention shares. The remuneration committee of the Balwin Board is charged with the governance of the CSP.
- 4.4.2 The implementation of the Scheme will result in the vesting of a portion of the unvested entitlements of participants in the CSP. In accordance with the rules of the CSP and the terms of the Implementation Agreement, on the Scheme Implementation Date and following the implementation of the Scheme, Balwin will settle all such vested CSP entitlements to participants in cash for consideration per Balwin Share equal to the Scheme Consideration (with the exception of Volker's and Rodna's CSP entitlements, which will be left outstanding on loan account and exchanged for shares in Bidco, as contemplated in paragraph 9.1).
- 4.4.3 On the basis of the cash-settlement of CSP entitlements on the Scheme Implementation Date at a price equal to the Scheme Consideration, Bidco will not be required to make a comparable offer to participants in Balwin's CSP.

5 **Independent Board, Independent Expert, and Fair and Reasonable Opinion**

- 5.1 The Balwin Board has, in accordance with regulation 108 of the Takeover Regulations, constituted an independent board of Balwin, comprising Tomi Amosun, Hilton Saven, Arnold Shapiro, Thoko Mokgosi-Mwantembe, Keneilwe Moloko, and Julian Scher, to engage with Bidco regarding the Proposed Transaction (the "**Balwin Independent Board**").
- 5.2 In accordance with section 114(3) of the Companies Act, the Balwin Independent Board has appointed Valeo Capital Proprietary Limited (the "**Independent Expert**") to act as independent expert to review the terms of the Scheme and to provide a fair and reasonable opinion as required under regulation 110 and in accordance with regulation 90 of the Takeover Regulations (the "**Independent Expert Report**").
- 5.3 The Independent Expert Report, and the opinion of the Balwin Independent Board in relation to the Offer and the Scheme Consideration, will be included in the Scheme Circular.

6 Cash Confirmation

The funds required to settle the maximum possible Scheme Consideration (the "**Maximum Consideration**") are in place and, in accordance with Regulation 111(4) and 111(5) of the Takeover Regulations, Bidco has obtained and delivered to the Takeover Regulation Panel an irrevocable confirmation of funds held in escrow in respect of the Maximum Consideration issued by Deneys Reitz Incorporated (t/a as Deneys).

7 Beneficial Interests in Balwin

In accordance with the requirements of regulation 101(7)(c) of the Takeover Regulations, as at the date of this announcement:

- 7.1 Bidco holds no beneficial interests in Balwin, nor any option to purchase any beneficial interests in Balwin;
- 7.2 the Reinvesting Shareholders who are acting in concert with Bidco, hold the following beneficial interests in Balwin:
- 7.2.1 Volker holds 171,751,457 Balwin Shares directly, representing c. 33.07% of all Balwin Shares in issue, and is a participant under the CSP, in terms of which certain awards will vest if the Scheme is implemented and the Balwin Shares are delisted from the JSE;
- 7.2.2 Rodna holds 49,311,153 Balwin Shares, representing c. 9.49% of all Balwin Shares in issue, and is a participant under the CSP, in terms of which certain awards will vest if the Scheme is implemented and the Balwin Shares are delisted from the JSE; and
- 7.2.3 GRE Africa holds 39,357,225 Balwin Shares, representing c. 7.58% of all Balwin Shares in issue.
- 7.3 Bidco has received irrevocable commitments from certain Balwin Shareholders to accept or vote in favour of the Offer, whose particulars and beneficial interests in Balwin are as follows:

Balwin Shareholder	Number of Balwin Shares	Percentage of Scheme Shares
Abax Investments Proprietary Limited	56,000,000	21.69
Bryte Insurance Company Limited	23,500,000	9.10
David Fraser	6,792,627	2.63
Oblitex Investments Proprietary Limited and Ran Goldstein	7,231,770	2.80
Friedshelf 1377 Proprietary Limited	6,197,861	2.40
Tatovect	47,219,260	18.29
Gschnaidtner Holdings Proprietary Limited	10,150,788	3.93
Wieres Drie Internasionaal Proprietary Limited	6,883,646	2.67
Total	163,975,952	63.51

8 Concert party arrangements and Balwin Shares held by related persons

- 8.1 The following persons are acting in concert with Bidco in relation to the Scheme:
- 8.1.1 each of the Reinvesting Shareholders, whose interests in Balwin Shares are set out in paragraph 2.2 above;
- 8.1.2 Mr Stephen Volker Brookes (Balwin's chief executive officer), who owns and controls Volker;

- 8.1.3 Mr Rodney Norman Gray (Balwin's managing director), who owns and controls Rodna;
- 8.1.4 the PIC (acting on behalf of the GEPF); and
- 8.1.5 the GEPF (represented by the PIC),
- (collectively, the "**Concert Parties**").
- 8.2 Save as set out in paragraph 8.1, Bidco is not acting in concert with any other person in relation to the Scheme.
- 8.3 The Balwin Shares held by persons *related* or *inter-related* (as contemplated in the Companies Act) to one or more of the Concert Parties are as follows:
- 8.3.1 202,429 Balwin Shares are held by Gray, C, who is *related* or *inter-related* to Mr Rodney Norman Gray and to Rodna Investments; and
- 8.3.2 202,429 Balwin Shares are held by Gray, E, who is *related* or *inter-related* to Mr Rodney Norman Gray and to Rodna Investments.
- 8.4 None of the Concert Parties, nor any persons *related* or *inter-related* to them, have acquired any Balwin Shares during the 6-month period preceding the date of this Firm Intention Announcement.

9 **Reinvesting Shareholders' resultant shareholding in Bidco**

- 9.1 On the Scheme Implementation Date, following implementation of the Scheme, each of the Reinvesting Shareholders will exchange their Balwin Shares (together with loan claims in respect of their vested CSP entitlements, in the case of Volker and Rodna) for shares in Bidco.
- 9.2 Pursuant to the share exchange having been implemented:
- 9.2.1 Balwin will be a wholly owned subsidiary of Bidco; and
- 9.2.2 Bidco's shares will be held in approximately the following proportions:
- 9.2.2.1 Volker: 33.6%;
- 9.2.2.2 Rodna: 9.6%;
- 9.2.2.3 GRE Africa: 7.5%; and
- 9.2.2.4 the GEPF (represented by the PIC): 49.3%.

10 **Approvals required by Balwin Shareholders and distribution of Scheme Circular**

Full details of the Scheme and ancillary matters will be set out in the Scheme Circular which will be jointly prepared and distributed by Balwin and Bidco to Balwin Shareholders on or about 18 June 2026 which will include, *inter alia*, the opinions of the Independent Expert and of the Balwin Independent Board referred to in paragraph 5.3 above, a notice of scheme meeting of Balwin Shareholders to approve the Scheme and the applicable salient dates and times, including the date of the scheme meeting of Balwin Shareholders.

11 **Delisting**

Balwin will apply to JSE and A2X for the delisting of the Balwin Shares from the JSE and A2X, effective immediately after the implementation of the Scheme (should it be implemented in accordance with its terms).

12 **Responsibility statements**

- 12.1 The Balwin Independent Board accepts responsibility for the information contained in this announcement insofar as it relates to Balwin and the Scheme. To the best of the Balwin Independent Board's knowledge and belief, the information contained in this announcement is true and this

announcement does not omit anything likely to affect the importance of the information. This announcement does not amount to a recommendation by the Balwin Independent Board as to how Balwin Shareholders should vote in respect of the Proposed Transaction.

- 12.2 The Bidco board accepts responsibility for the information contained in this announcement insofar as it relates to Bidco. To the best of the Bidco board's knowledge and belief, the information contained in this announcement is true and the announcement does not omit anything likely to affect the importance of the information.

Corlett Drive
20 May 2026

Transaction Advisor to Balwin

YW Investments Proprietary Limited (trading as YW Capital)

Legal Advisors to Balwin

Cliffe Dekker Hofmeyr Inc.

Independent Expert to Balwin

Valeo Capital Proprietary Limited

Transaction Sponsor to Balwin

Investec Bank Limited